

Tunnel only cont.

2	<p>Open Space Funding \$80 million</p> <p>If the tunnel is selected, the project could create up to six acres of new open space on Seattle's waterfront. This qualifies the project for open space funding through two sources. First, Mayor Nickels has announced his intention to create an Open Space Impact Fee to develop 13 acres of open space in Seattle's urban centers in the next 20 years. The City estimates the project would qualify for \$60 million in open space funding. In addition, up to \$20 million in funding may be available through grants provided by the Washington State Office of Interagency Committee for Outdoor Recreation.</p>
3	<p>City of Seattle—Transportation Funding \$20 million</p> <p>The City may write grants for funding the tunnel from one or more small budget transportation-related sources, such as the Transportation Improvement Board or the Freight Mobility Strategic Investment Board.</p>
4	<p>City of Seattle—Local Improvement District \$50 to 250 million</p> <p>The City is considering a local improvement district (LID), in which adjacent properties that would benefit from the public investment in a tunnel are identified. The likely benefits of the viaduct's removal are estimated, and property owners within the LID are required to pay a special assessment for a period of 15 to 20 years according to a formula related to their benefit. It would be demonstrated to property owners that the assessments are less than the expected increase in benefits.</p>

Total anticipated funds: \$2.6 billion



View from Alaskan Way looking north at the viaduct through downtown Seattle.

Contact Us:

- Visit www.wsdot.wa.gov/projects/viaduct
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The Alaskan Way Viaduct & Seawall Replacement Project

09.06

Project Finance Plan

Large transportation projects require funding from multiple sources over many years. The construction of a replacement for the Alaskan Way Viaduct and Seawall is no exception. Thanks to the Washington State Legislature, the federal government, and our local partners, we have \$2.4 billion in-hand. A project finance plan has been prepared to identify other potential funding sources. Up to \$2.6 billion of other funding sources have been identified.



A worker installs a steel column to reinforce an earthquake-damaged beam on the viaduct.

WSDOT and the City of Seattle have developed a finance plan that explains what funding is already secured, what funding commitments the City will make, and identifies other potential funding sources. This plan will become more detailed after a preferred alternative is selected and more design work is done.

This financing plan was evaluated by the Expert Review Panel to determine whether the financial assumptions were reasonable and sufficient. The report is available at www.wsdot.wa.gov/projects/viaduct/expertreviewpanel.

A financing plan that focuses on the core projects.

For both the Tunnel and Elevated Structure Alternatives, there are "core" projects that prioritize the south and central sections of the project corridor. The financing plan focuses on these core projects to secure the funding necessary to replace these seriously deteriorating sections first.

Current project cost estimate ranges:

Core Cut-and-Cover Tunnel..... \$3.0 to 3.6 billion

Core Elevated Structure..... \$2.0 to 2.4 billion



Aerial view of viaduct and waterfront.

The Financing Plan

With any large-scale project, funding comes in stages. We categorize our funding according to committed funds and anticipated funds. For committed funding sources, we know how much funding is available and when it is available. **Today, we have \$2.4 billion in-hand for the project.**

Committed Funds

State 2005 Transportation Partnership.....	\$2.00 billion
State 2003 Nickel Fund and Previous Allocations.....	\$177.00 million
City of Seattle.....	\$15.80 million
Puget Sound Regional Council STP Grant	\$1.20 million
Federal SAFETEA-LU Reauthorization	\$197.60 million
Federal TEA-21 Appropriation Earmarks	\$19.18 million
Federal: U.S. Army Corps of Engineers	\$0.50 million
	\$2.40 billion

Anticipated Funds

Anticipated funds may depend on legal, institutional, or political actions, or the amount available may be uncertain. We can be relatively certain that the potential funding organization or agency will ultimately contribute to the project. **Anticipated funds total \$2.6 billion.**

Federal

1	Future Transportation Funding Reauthorization The U.S. Congress is scheduled to consider the next reauthorization of federal funding in 2011. Even if Congress delays action on this bill for several years, a future appropriation would still benefit the project since it would be under construction at that time. The SAFETEA-LU bill of 2005 provided \$220 million in funding for the project.	\$0 to 280 million
2	Emergency Relief Funding Due to the direct relationship between the 2001 Nisqually earthquake and damage to the viaduct, the project may be eligible for Federal Highway Emergency Relief funding. The Emergency Relief program provides assistance for the reconstruction of highways and bridges that have suffered serious damage in natural disasters. The earthquake not only caused immediate damage to the viaduct, but also created gradual deterioration throughout the structure. Currently, the funding is specifically targeted at replacing two frames that show continuing distress from the earthquake. Regular inspection work may show eligibility for funding beyond the discussed range.	\$32 to 60 million
3	Water Resource Development Act (Seawall) The Water Resources Development Act is legislation that authorizes the civil works program for the U.S. Army Corps of Engineers (USACE), and includes funding authorizations for new projects. The City and USACE are currently conducting a feasibility study to consider the benefits of replacing the seawall, including avoided travel delays, and economic impacts to businesses and property damage. Then, they will identify the level of funding that would be proportionate with these benefits.	\$200 million

Regional

1	Regional Transportation Investment District The Regional Transportation Investment District (RTID) was created by the Washington State Legislature in 2002 to allow Snohomish, King and Pierce Counties to form a taxing entity to address regional transportation needs. The RTID board has consistently proposed investing in the Alaskan Way Viaduct and Seawall Replacement Project. In January 2006, the board presented a \$7.2 billion investment plan, which included an \$800 million allocation for the viaduct replacement. RTID is expected to put forward a ballot measure in November 2007 that will be contingent on Sound Transit’s improvements proposal being approved by voters at the same time.	\$800 million
2	Washington State Sales Tax Rebate The legislation that created RTID also amended existing law to allow the 6.5 percent Washington state sales tax paid on project construction costs to be reimbursed to the projects. WSDOT assumes that taxable purchases would equal 75 percent of the upper cost range (updated annually). For example, 75 percent of the estimated \$3.6 billion cost of the Core Tunnel Alternative is \$2.72 billion. So, \$176.8 million is the amount the project would be reimbursed with the 6.5 percent state sales tax. For the Core Elevated Structure Alternative, \$156 million would be reimbursed.	\$156 to 176.8 million
3	Tolling While WSDOT is not currently considering state-level tolls on the viaduct, funding by tolls is possible if the RTID board decides to pursue tolling on regional facilities. Revenue estimates for tolling are preliminary.	\$150 million

Local

1	City of Seattle—Public Utilities Currently, there are many public and private utilities that run along the Alaskan Way corridor and underneath the viaduct. Regardless of the option chosen, these utilities will need to be relocated. Seattle City Light and Seattle Public Utilities could contribute the cost of relocation by presenting their request to the Mayor and the Seattle City Council as part of their normal budget discussions. The City has indicated that these funds would only go towards a tunnel.	\$0 to 400 million*
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**If costs of utility relocation increase, the city will pay up to \$500 million.*

Anticipated—Local (cut-and-cover tunnel only)

Several funding sources would be available only if the Tunnel Alternative is chosen.

Tunnel only

1	Port of Seattle—Capital Improvement Plan In November 2005, the Port Commission voted to include a potential contribution to the Tunnel Alternative in their 10-year capital improvement plan. The Port allocation could be as high as \$200 million, appropriated over a 10-year period beginning in 2008 or 2009. The Port Commission will need to vote to appropriate funds for the viaduct replacement annually.	\$0 to 200 million
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